

## NSRB Grant Application Template

Agencies desiring grants from the NSRB for projects to improve access to state government information should complete this application and follow any procedures outlined in this application and any accompanying materials.

1. Name of agency applying for grant

*Chief Information Officer*

2. Title or brief description of the project

*Online Payment Portal*

3. Grant request amount

*\$25,000*

4. Will there be a fee for accessing records associated with this project?

*Online payments made by credit card or electronic check have associated fees charged by banks and online transaction processors. Pending a change in state law authorizing convenience fees, these fees are absorbed by participating agencies. The NSRB may be asked to consider a per-transaction fee for ongoing maintenance of the payment portal at a future date, but that is not part of this grant proposal.*

5. If yes, provide any statutory reference or authorization for the fee

*Credit cards are currently used by agencies for both online and over-the-counter payments, and any related fees are paid as an operating expense by the agencies. Passing these charges along to users in the form of convenience fees would require a change in state law.*

6. Please describe the project in detail

*Government services with an associated fee or payment are increasingly moving online. These include license & permits, tax payments, and sales of items such as state employee directories. Current payment options are somewhat limited and generally do not include the capability for aggregating payments to multiple agencies, and in some cases require manual processes to complete movement of money to the appropriate account.*

*The payment portal initiative will provide a way to move toward integration of online payment across agencies, and complete automation of both payment and general ledger processes. The portal initially will provide a uniform credit card and electronic check payment module that can be integrated with both existing and planned online services such as license renewals and tax payments.*

*The payment portal will then be enhanced with a “super shopping cart” capability that will allow users to aggregate payments for multiple transactions into a single payment. For example, payment for a license renewal with one agency can be added to the “shopping cart” along with payment for a tax filing and other services, with a single transaction covering payment for several services. In this way, the user is not required to go through each service and enter payment information individually for each transaction.*

*A third possible feature of the payment portal design is automation of the general ledger form used by agencies to validate transaction amounts and move money into the appropriate agency accounts. Initially, it is anticipated that the system will provide capability for electronic transmission of the general ledger data to the State Treasurer, DAS Accounting Division, and other appropriate agencies. Once the Nebraska Information System (NIS) is brought online, it should be possible to integrate general ledger information from the payment portal and NIS.*

*Nebrask@ Online envisions leveraging work done by NIC on a general payment portal and super shopping cart. Work on the general payment portal is nearing completion, with the super shopping cart expected to be available by late 3<sup>rd</sup> quarter. The purpose of this grant is to provide support for customizing this application for use in Nebraska, and work on automation of general ledger capabilities.*

*Key deliverables include standard payment modules for credit card, electronic check and potentially debit card; the super shopping cart application that will allow payments for multiple services to be aggregated into a single payment; and automation of general ledger capabilities.*

7. Please describe whom the beneficiary or recipient of this service will be and projected activity for access or use of the proposed service

*Beneficiaries of the project will be citizens and businesses who use interactive e-government services that require payment of a fee or tax. The project will improve convenience for these users. It will also provide benefits for agencies through process automation including general ledger.*

*Currently, payment of fees or other costs associated with each online service is generally handled in one of three ways:*

- *Monthly billing for services offered through Nebrask@ Online’s premium service, under which NOL collects fees or payments and remits them to the state;*
- *Online credit card payment for an individual transaction;*
- *Traditional check payment or ACH electronic funds transfer separate from the online application.*

*The monthly billing option, through which users pay via credit card, ACH or paper check, lends itself well to integrating payment for multiple services across agencies.*

*Users with authorized accounts can access services from several agencies, including the Dept. of Motor Vehicles, Revenue, Natural Resources and Secretary of State. Statutory fees for these services are combined into one monthly bill. Money is collected by NOL and moved electronically to the appropriate agency accounts. Currently, NOL has about 5,000 user accounts and collects on average more than \$200,000 per month on behalf of various state agencies.*

*Although this system works well for frequent users of services requiring payment, it does not lend itself to periodic transactions such as annual license renewals or tax payments. Online services such as renewals of real estate, engineer or architect licenses each include a credit card payment module. Once the renewal information is completed, the user inputs credit card information that is then verified and the credit card is billed.*

*For each service, the agency must establish a merchant account with the processing bank. This process has in some cases taken several weeks or months to complete. Credit card authorization and debits are automated processes. However, completing the transaction by moving money into the appropriate account still requires a manual general ledger process between the agency and the State Treasurer.*

*Other services such as tax filing with the Department of Revenue involve traditional check payment or ACH electronic funds transfer as a process separate from the online filing application. Given the large dollar amount of some tax payments, credit cards are not perceived as an attractive option given that fees are calculated as a percentage of the payment amount. As a result, the "business" side of the transaction is separate from the payment, not necessarily a convenience for the user.*

*Electronic checks are coming into use across the country as an alternative to credit card payment. These systems operate in a similar fashion to online credit card payments, with two notable exceptions. First, bank account and routing information is provided instead of a credit card number. Second, fees associated with electronic checks are generally a flat amount rather than a percentage of the payment, providing an attractive alternative to credit cards for large payments. Interest has been expressed in electronic check capability by several agencies, and it would provide an additional payment option for existing services that currently provide only credit card payment.*

*Activity associated with online credit card transactions has been generally low in the early stages, ranging from less than 2% of total payments for a given service to nearly 20% in the first year. As more services become available and users become aware of them, and as additional payment options are provided, activity should increase considerably.*

#### 8. Estimated timeline for completion

*Work will begin on the standard payment module upon approval of this grant, and should be completed by the end of August. Customizing work on the super shopping cart will*

*begin once the module is completed by NIC and should be customized for use in Nebraska by January 1, 2003.*

9. Agency contribution to the project (labor, equipment, etc.)

*The CIO will provide direction in project planning and oversight during implementation. The CIO will work to ensure appropriate involvement of agencies such as the State Treasurer, DAS Accounting Division and NIS project leadership.*

10. A. Has this project every been submitted as a budget request (explain)?

*No. Online payment processing has been included as a feature of specific interactive applications, but no effort has been made to approach online payment in a comprehensive manner.*

10. B. Does the project require additional statutory authority (explain)?

*If processing fees for credit cards, electronic checks or other transaction-based activity are paid from an agency's operating budget, no additional statutory authority is required. A statutory change is necessary if a convenience fee (paid by the user) is to be added for these fees.*

10. C. Why is the grant money needed for the project, and if applicable, how will the service be sustained once the grant money is expended?

*Grant dollars will support customizing the NIC payment engine and super shopping cart for use in Nebraska. Consideration may be given to some type of transaction-based fee for ongoing maintenance of the payment portal once it is operational. Should this be deemed necessary, the issue will be brought before the NSRB at a later date for consideration.*

11. Please describe how this project will enhance the delivery of state agency services or access to those services.

*As more government services move online, providing a standard approach to payment of any fees associated with these services will improve functionality for the user and efficiency for the agency. The ability to aggregate payment for multiple services across agencies will be an added convenience for the user. .*

12. Please describe how this project will 1) improve the efficiency of agency operations; 2) facilitate collaboration among state agencies; 3) facilitate collaboration between state agencies and other public institutions; 4) support public/private partnerships in the delivery of public services (you may respond to any or all of these criteria in your answer)

*Moving from paper check payment to various types of electronic payment will speed the movement of money and eliminate or reduce manual processes for the agency. Automating general ledger documents and other business processes will provide additional efficiency. Allowing multiple payments across agencies, and possibly across levels of government, will improve collaboration. The involvement of Nebrask@ Online continues the ongoing, successful public/private partnership in the delivery of public services.*

### 13. Contact person information

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## **Addendum to NSRB Grant for Online Payment Portal**

### Deliverables

- Online payment module for credit card or electronic check payments, designed for easy integration with any online application (such as license renewal). The module will be designed to interface with the existing state credit card and electronic check processors.
- Automated general ledger transmission tool.
- Enhanced shopping cart feature to allow aggregation of multiple amounts into a single payment.

### Grant Request

- Payment of \$12,500 to Nebrask@ Online upon delivery of the integrated online payment module and successful integration with at least one online application.
- Payment of \$2,500 to Nebrask@ Online upon delivery of the automated general ledger transmission tool.
- Payment of \$10,000 to Nebrask@ Online upon delivery of the enhanced shopping cart feature.

### Time Frame

- Additional requirements-gathering is necessary to determine the scope of integrating the online payment module with existing state processors. The tentative target date for delivery of this module is September 1. Depending on requirements, this date may need to be moved back a few weeks.
- The automated general ledger transmission tool should be delivered at the same time as the online payment module.
- The enhanced shopping cart module should be delivered by January 1, 2003.

### Technical Considerations

- The payment engine and enhanced shopping cart applications are proprietary products of NIC, Inc. but are designed for easy integration with a wide variety of applications and programming languages. The grant funds will support NIC corporate technical staff efforts to customize the NIC modules to meet Nebraska-specific requirements. Once complete, the modules can be readily integrated with applications developed by Nebrask@ Online, state technicians, or other third-party contractors.